



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 23 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

REPLY TO THE ATTENTION OF:

Jennifer Ebert
QA/Laboratory Manager
United Wisconsin Grain Producers, LLC
W1231 Tessmann Drive
Friesland, Wisconsin 53935

Re: United Wisconsin Grain Producers, LLC Notice of Violation and Finding of Violation

Dear Ms. Ebert:

This is to advise you that the U.S. Environmental Protection Agency has determined that the United Wisconsin Grain Producers, LLC (UWGP) facility at W1231 Tessmann Drive, Friesland, WI (facility) is in violation of the Clean Air Act (CAA) and associated state or local pollution control requirements. We are today issuing to you a Notice of Violation and Finding of Violation (NOV/FOV) for these violations.

The CAA requires the development of Primary and Secondary National Ambient Air Quality Standards to protect public health and welfare. To attain and maintain these standards, each state is required to develop an implementation plan. Wisconsin's State Implementation Plan (Wisconsin SIP) requires you to take reasonably available measures to prevent hazardous air pollutants (HAPs), including acetaldehyde, and volatile organic compounds (VOCs) from emitting from the facility. The purpose of the HAP limits is to help protect the public from unhealthy exposures to HAPs. Acetaldehyde can acutely irritate eyes, skin and the respiratory system. Chronic exposure to high levels of acetaldehyde has been shown to result in erythema, coughing, pulmonary edema, and necrosis may also occur. Acetaldehyde is also a probable human carcinogen. VOCs contribute to ground level ozone, which can irritate the human respiratory system and reduce lung function.

The CAA requires the development of standards for emissions of HAPs, called National Emission Standards for Hazardous Air Pollutants (NESHAPs). The purpose of NESHAPs are to reduce HAPs, including acetaldehyde, which pose a threat to human health.

The CAA also requires the development of standards for the emissions of new sources, called New Source Performance Standards (NSPS). The purpose of the NSPS is to ensure that widely available pollution control technology is implemented as qualifying sources are constructed or modified.

EPA finds that at the facility there are violations of the following:

1. Wisconsin SIP requirements, including federally-enforceable construction permits. In violating the Wisconsin SIP requirements you are also violating Title I of the CAA and its implementing regulations, which require compliance with the terms and conditions of the Wisconsin SIP.

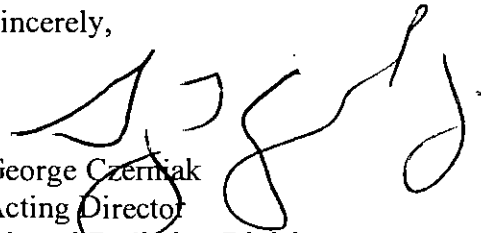
2. Section 112 of the CAA, 42 U.S.C. § 7412, and the implementing regulations at 40 C.F.R. Part 63, Subpart FFFF.
3. Section 111 of the CAA, 42 U.S.C. § 7411, containing the following NSPS Subparts:
 - Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984.
 - Subpart VV, Standards of Performance for Equipment Leaks of VOCs in the Synthetic Organic Chemicals Manufacturing Industry for which Construction, Reconstruction, or Modification Commenced After January 5, 1981, and on or Before November 7, 2006.
 - Subpart VVa, Standards of Performance for Equipment Leaks of VOCs in the Synthetic Organic Chemicals Manufacturing Industry for Which Construction, Reconstruction, or Modification Commenced After November 7, 2006.

Section 113 of the CAA gives us several enforcement options to resolve these violations, including: issuing an administrative compliance order, issuing an administrative penalty order, bringing a judicial civil action and bringing a judicial criminal action.

We are offering you the opportunity to request a conference with us about the violations alleged in the NOV/FOV. A conference should be requested within 10 days following receipt of this notice. A conference should be held within 30 days following receipt of this notice. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply and the steps you will take to prevent future violations. Please plan for your facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

The EPA contact in this matter is Greg Gehrig. You may call him at (312) 886-4434 or email him at gehrig.greg@epa.gov if you wish to request a conference. EPA hopes that this NOV/FOV will encourage UWGP's compliance with the requirements of the CAA.

Sincerely,



George Czerniak
Acting Director
Air and Radiation Division

Enclosure

cc: Thomas Rouchar
Environmental Engineer Supervisor
Bureau of Air Management
Wisconsin Department of Natural Resources
Madison Service Center
3911 Fish Hatchery Road
Fitchburg, WI 53711

Bill Baumann
Acting Director
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Wisconsin Department of Natural Resources
101 S. Webster St.
PO Box 7921 (AM/7)
Madison, WI 53702

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

United Wisconsin Grain Producers, LLC
Friesland, Wisconsin

Proceedings Pursuant to
the Clean Air Act
42 USC § 7401 et seq.

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**NOTICE OF VIOLATION AND
FINDING OF VIOLATION**

EPA-5-12-WI-03

NOTICE OF VIOLATION AND FINDING OF VIOLATION

United Wisconsin Grain Producers, LLC (you or UWGP) owns and operates an ethanol manufacturing facility at W1231 Tessmann Drive, Friesland, WI (the facility). At the facility, UWGP manufactures denatured ethanol and both wet and dried distiller's grain.

The U.S. Environmental Protection Agency is sending this Notice of Violation and Finding of Violation (NOV/FOV or Notice) to notify you that we have found violations of conditions specified in the Wisconsin State Implementation Plan (Wisconsin SIP); Section 112 of the Clean Air Act (the CAA), 42 U.S.C. § 7412, and the implementing National Emission Standards for Hazardous Air Pollutants (NESHAP) regulations at 40 C.F.R. Part 63, Subpart FFFF (Subpart FFFF NESHAP); and New Source Performance Standards 42 U.S.C. § 7411 (NSPS), and the following implementing regulations at 40 C.F.R. Part 60:

- Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984 (NSPS Subpart Kb).
- Subpart VV, Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry for which Construction, Reconstruction, or Modification Commenced After January 5, 1981, and on or Before November 7, 2006 (NSPS Subpart VV).
- Subpart VVa, Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry for Which Construction, Reconstruction, or Modification Commenced After November 7, 2006 (NSPS Subpart VVa).

Section 113 of the CAA provides you with the opportunity to request a conference with us to discuss the violations alleged in the NOV/FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for the facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

Explanation of Violations

1. The Wisconsin SIP permits and permit conditions relevant to this NOV/FOV are as follows:
 - a. EPA approved the Wisconsin Administrative Code NR (NR) 406 Construction Permits effective February 2, 1995, 60 Fed. Reg. 3543, as part of the Wisconsin SIP.
 - b. The Wisconsin Department of Natural Resources (WDNR) has issued federally-enforceable air pollution control construction permits (Permits) to the facility. Permit conditions presented in a particular permit are typically unchanged in subsequent permits. Permits related to this NOV are:

Permit	Issue date
03-DCF-048	8/14/2003
06-DCF-184	12/15/2006
07-DCF-142	9/12/2007
07-DCF-268	10/31/2007
08-DCF-010	2/7/2008
08-DCF-120	10/13/2008
08-DCF-120-RI	5/21/2009
10-DCF-137	3/4/2011

- c. Permit 03-DCF-048 condition 1.A.1.C.3, and subsequently Permit 08-DCF-120 (and all subsequent Permits) condition 1.AA.1.C.3, require the facility to record temperature readings for the regenerative thermal oxidizer (RTO). (NR 439.055(2)(a)).
- d. Permit 06-DCF-184 (and all subsequent Permits) condition 1.B.1.b.2 requires the facility to meet the temperature set point of 1400° Fahrenheit (°F) when the Biomethanor bypass flare is used. (NR 407.09(1)(c)).
- e. Permit 06-DCF-184 (and all subsequent Permits) condition 1.E.1.a.1 requires the facility to meet the 98.7% destruction efficiency for VOCs from the fermentation process via the use of scrubbers. (NR 406.10; NR 424.03(2)(c)).
- f. Permit 06-DCF-184 (and all subsequent Permits) condition 1.E.1.a.2 requires the facility to meet the emission limit for VOCs of 3.7 pounds per hour (lb/hr) from the fermentation process via the scrubbers. (NR 406.10; NR 424.03(2)(c)).
- g. Permit 06-DCF-184 (and subsequent permits through 08-DCF-120-RI) condition 1.E.1.b.2 requires the facility to achieve a pressure drop across the scrubbers within the range of 4 to 8 inches of water (in H₂O). (NR 407.09(1)(c)).

- h. Permit 10-DCF-137 condition 1.E.1.b.2 requires the facility to achieve a pressure drop across the scrubbers within the range of 3 to 11 inches of water (in H₂O). (NR 407.09(1)(c)).
 - i. Permit 06-DCF-184 (and all subsequent Permits) condition 1.E.1.b.3 requires the facility to achieve a minimum scrubber water flow rate of 25 gallons per minute (gpm) for each scrubber. (NR 424.03).
 - j. Permit 06-DCF-184 (and subsequent permits through 08-DCF-120-RJ) condition 1.E.4.a.1 requires the facility to meet the emission limit for acetaldehyde of 1.90 lb/hr from the fermentation process via the scrubbers. (NR 406.10; NR 445.07).
 - k. Permit 06-DCF-184 condition F.1.b.3 and subsequently Permit 08-DCF-120 (and all subsequent permits) condition 1.FF.1.b.3 requires the facility to meet the temperature set point of 1400° F (1300° F for the summer months) for the Tanker Truck Loading Rack with flare. (NR 407.09(1)(c); 406.10).
 - l. Permit 10-DCF-137 condition 1.ZZZ.3.a requires the facility to prepare and maintain a Malfunction Prevention and Abatement Plan (MPAP) (NR 439.11(1)).
2. Subpart FFFF NESHAP provisions relevant to this NOV/FOV are as follows:
- a. Since May 10, 2008, the facility has been subject to the requirements of Section 112 of the CAA, 42 U.S.C. § 7412, and the Subpart FFFF NESHAP at 40 C.F.R. Part 63.
 - b. Since April 30, 2007, the facility has been required to submit an Initial Notification per 40 C.F.R. § 63.2515(b).
 - c. Since May 10, 2008, the facility has been required to submit a Notification of a Performance Test(s) per 40 C.F.R. § 63.2515(c), and conduct applicable performance tests.
 - d. Since October 7, 2008, the facility has been required to submit a Notification of Compliance Status per 40 C.F.R. § 63.2520(d) and Subpart FFFF NESHAP Table 11.
 - e. Since February 28, 2009, the facility has been required to submit a Compliance Report per 40 C.F.R. § 63.2520(b)(2), 63.2520(e), and Subpart FFFF NESHAP Table 11.
 - f. Since May 10, 2008, the facility has been subject to 40 C.F.R. § 63.2450(a) requiring compliance with the emission limits and work practice standards listed in Tables 1-10 of Subpart FFFF NESHAP for the following emission units:
 - i. Continuous process vents;
 - ii. Batch process vents;
 - iii. Storage tanks;

- iv. Transfer racks;
 - v. Equipment leaks;
 - vi. Waste water streams and liquid streams in open systems; and
 - vii. Heat exchangers.
 - g. Since May 10, 2008, UWGP has been required to develop a startup, shutdown and malfunction (SSM) plan, as required by 40 C.F.R. § 63.6(e)(3).
3. The NSPS Subpart Kb provisions relevant to this NOV/FOV are as follows:
- a. Since April 2005, the facility has been subject to the requirements of Section 111 of the CAA, 42 U.S.C. § 7411, and the implementing regulations at 40 C.F.R. Part 60, Subpart Kb.
 - b. 40 C.F.R. § 60.113b(2) and Permit 06-DCF-184 (and all subsequent Permits) condition 1.G.1.b.2 require the facility to conduct annual inspections of storage tanks T61, T62 (denatured ethanol), T63, T65 (undenatured ethanol) and T64 (gasoline). (NR 440.285(4)(a)2).
 - c. 40 C.F.R. § 60.115b(2) and Permit 06-DCF-184 (and all subsequent Permits) condition 1.G.1.c.4.b require the facility to keep records of annual inspections of ethanol storage tanks T61, T62 (denatured), T63, T65 (undenatured) and T64 (gasoline). (NR 440.285(6)(a)).
4. The NSPS Subpart VV provisions relevant to this NOV/FOV are as follows:
- a. From April 2005 until November 12, 2007, the facility was subject to the requirements of Section 111 of the CAA, 42 U.S.C. § 7411, and the implementing regulations at 40 C.F.R. Part 60, Subpart VV.
 - b. From October 2005 until November 12, 2007, the facility was required to submit semiannual reports per 40 C.F.R. § 60.487. (NR 440.62 (8)).
5. The NSPS Subpart VVa provisions relevant to this NOV/FOV are as follows:
- a. Since November 13, 2007, the facility has been subject to the requirements of Section 111 of the CAA, 42 U.S.C. § 7411, and the implementing regulations at 40 C.F.R. Part 60, Subpart VVa.
 - b. Since November 14, 2007, the facility has been required to demonstrate compliance with the standard (i.e. to conduct a LDAR program) as specified in 40 C.F.R. § 60.482-1a.
 - c. Since May 13, 2008, the facility has been required to submit semiannual reports as specified in 40 C.F.R. § 60.487a.

6. The Permit violations are as follows:

- a. From April 2005 until March 23, 2010, the facility failed to record temperature readings for the RTO as required by Permit 03-DCF-048 condition 1.A.1.C.3, and subsequently by Permit 08-DCF-120 condition 1.AA.1.C.3. (NR 439.055(2)(a)).
- b. Since June 8, 2008, the facility has failed to meet the temperature set point of 1400° Fahrenheit (°F) for the Biomethanor bypass flare as required by Permit 06-DCF-184 condition 1.B.1.b.2 for a total of 37 days. (NR 407.09(1)(c)).
- c. From November 13, 2007 until March 30, 2010, the facility failed to meet the 98.7% destruction efficiency for VOCs from the fermentation process via the scrubbers as required by Permit 06-DCF-184 condition 1.E.1.a.1. (NR 406.10; NR 424.03(2)(c)).
- d. Since November 13, 2007, the facility has failed to meet the emission limit for VOCs of 3.7 lb/hr from the fermentation process via the scrubbers as required by Permit 06-DCF-184 condition 1.E.1.a.2. (NR 406.10; NR 424.03(2)(c)).
- e. From November 13, 2007 until March 4, 2011, the facility has failed to achieve a pressure drop across the scrubbers within the range of 4 to 8 in H₂O as required by Permit 06-DCF-184 condition 1.E.1.b.2 for a total of 908 days. (NR 407.09(1)(c)).
- f. Since March 4, 2011, the facility has failed to achieve a pressure drop across the scrubbers within the range of 3 to 11 in H₂O as required by Permit 10-DCF-137 condition 1.E.1.b.2 for a total of 3 days. (NR 407.09(1)(c)).
- g. Since November 13, 2007, the facility has failed to achieve a scrubber water flow rate of 25 gpm for each scrubber as required by Permit 06-DCF-184 condition 1.E.1.b.3 for a total of 281 days. (NR 424.03).
- h. From November 13, 2007 until March 30, 2010, the facility has failed to meet the emission limit for acetaldehyde of 1.90 lb/hr from the fermentation process via the scrubbers as required by Permit 06-DCF-184 condition 1.E.4.a.1. (NR 406.10; NR 445.07).
- i. Since December 15, 2006, the facility has failed to meet the temperature set point of 1400° F (1300° F for the summer months) for the Tanker Truck Loading Rack with flare as required by Permit 06-DCF-184 condition 1.F.1.b.3 and subsequently by Permit 08-DCF-120 (and all subsequent permits) condition 1.FF.1.b.3 for a total of 722 days. (NR 407.09(1)(c); 406.10).
- j. Since January 22, 2011, the facility has not prepared and maintained a MPAP per the requirements of Permit 10-DCF-137 condition 1.ZZZ.3.a. (NR 439.11(1) b, c, d, f and g).

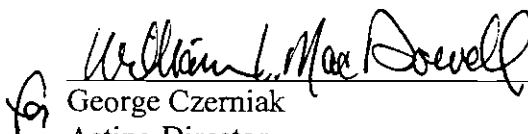
7. Violations of the Subpart FFFF NESHAP are as follows:
- a. Since April 30, 2007, the facility has failed to submit an Initial Notification as required by 40 C.F.R. § 63.2515(b).
 - b. Since May 10, 2008, the facility has failed to submit a Notification of a Performance Test(s) as required by 40 C.F.R. § 63.2515(c), and conduct applicable performance tests.
 - c. Since October 7, 2008, the facility has failed to submit a Notification of Compliance Status as required by 40 C.F.R. § 63.2520(d) and Table 11 of the Subpart FFFF NESHAP.
 - d. Since February 28, 2009, the facility has failed to submit a Compliance Report as required by 40 C.F.R. § 63.2520(b)(2), 63.2520(e), and Table 11 of the Subpart FFFF NESHAP.
 - e. Since May 10, 2008, the facility has not complied with 40 C.F.R. § 63.2450(a) requiring compliance with the emission limits and work practice standards listed in Tables 1-10 of the Subpart FFFF NESHAP for the following emission units:
 - i. Continuous process vents;
 - ii. Batch process vents;
 - iii. Storage tanks;
 - iv. Transfer racks;
 - v. Equipment leaks;
 - vi. Waste water streams and liquid streams in open systems; and
 - vii. Heat exchangers.
 - f. Since May 10, 2008, UWGP has failed to develop a SSM plan, as required by 40 C.F.R. § 63.6(e)(3).
 - g. UWGP has additional obligations to operate control devices, as well as conduct monitoring, reporting and recordkeeping under the Subpart FFFF NESHAP. The full extent of UWGP's obligations will not be known until a determination of compliance status has been completed.
8. Violations of the NSPS Subpart Kb are as follows:
- a. From April 2006 to November 15, 2011, the facility failed to conduct annual inspections of storage tanks T61, T62 (denatured ethanol), T63, T65 (undenatured ethanol) and T64 (gasoline) as required by 40 C.F.R. § 60.113b(2) and Permit 06-DCF-184 condition 1.G.1.b.2 (NR 440.285(4)(a)2).
 - b. From April 2006 to November 15, 2011, the facility has failed to keep records of annual inspections of ethanol storage tanks T61, T62 (denatured), T63, T65 (undenatured) and T64 (gasoline) as required by 40 C.F.R. § 60.115b(2) and Permit 06-DCF-184 condition 1.G.1.c.4.b. (NR 440.285(6)(a)).

9. Violations of the NSPS Subpart VV are as follows:
- a. From October 2005 until November 13, 2007, the facility failed to submit semiannual reports as required by 40 C.F.R. § 60.487. (NR 440.62 (8)).
10. Violations of the NSPS Subpart VVa are as follows:
- a. From November 13, 2007 until June 30, 2011, the facility failed to demonstrate compliance with the standard as required by 40 C.F.R. § 60.482-1a.
 - b. From May 13, 2008 until June 30, 2011, the facility failed to submit semiannual reports as required by 40 C.F.R. § 60.487a.

Environmental Impact of Violations

11. All violations cited above demonstrate elevated emissions of VOCs and HAPs, particularly acetaldehyde.
- a. Acute exposure to acetaldehyde results in irritation of the eyes, skin, and respiratory tract, as well as erythema, coughing, pulmonary edema, and necrosis. Chronic exposure to high levels of acetaldehyde has been linked to effects similar to alcoholism, slight anemia, as well as nasal, trachea and kidney pathology. EPA lists acetaldehyde as a probable human carcinogen.
 - b. VOCs contribute to ground level ozone, which can irritate the human respiratory system and reduce lung function.

3/23/12
Date


for George Czerniak
Acting Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shafer, certify that I sent a Notice of Violation and Finding of Violation, No. EPA-5-12-WI-01, by Certified Mail, Return Receipt Requested, to:

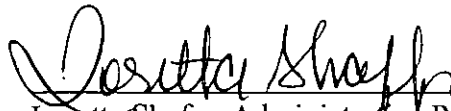
Jennifer Ebert
QA/Laboratory Manager
United Wisconsin Grain Producers, LLC
W1231 Tessmann Drive
Friesland, WI 53935

I also certify that I sent copies of the Notice of Violation and Finding of Violation by first-class mail to:

cc: Thomas Rouchar
Environmental Engineer Supervisor
Bureau of Air Management
Wisconsin Department of Natural Resources
Madison Service Center
3911 Fish Hatchery Road
Fitchburg, WI 53711

Bill Baumann
Acting Director
Bureau of Air Management
Wisconsin Department of Natural Resources
101 S. Webster St.
PO Box 7921 (AM/7)
Madison, WI 53702

On the 26 day of March 2012.



Loretta Shafer, Administrative Program Assistant

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7673 9399